

**SPRINGDALE AIRPORT COMMISSION
MINUTES**

August 19, 2021

The regular meeting of the Springdale Airport Commission was on Thursday, August 19, 2021 in the Tiered Training Room in the Criminal Justice Building.

1. Chairman Neil Johnson called the meeting to order at 12:59 p.m.

2. Roll call was answered by:

Neil Johnson
Greg Collier
Joel Gardner
Steve Smith
Bill Schoonover
Micah Thomason

City staff present:

Wyman Morgan, Administration & Financial Services Dir.
Colby Fulfer, Chief of Staff, Mayor's Office
Laura Meyers, Airport Manager
James Smith, Airport Facilities Manager
Beth Parnell, Airport Commission Secretary, Mayor's Office

3. **APPROVAL OF MINUTES** – Chairman Johnson asked for a motion to approve the minutes from the June 17, 2021 meeting minutes. **A motion was made to approve the minutes as presented by Commissioner Thomason. The motion was seconded by Commissioner Gardner. All approved.**

4. **COMMENTS FROM AUDIENCE**

No comments from the audience.

5. **UPDATE FROM SUMMIT AVIATION – Daniel Hughes, Mgr.**

The June fuel sales were 44,558 gallons of JetA, an increase of 9% over May. AvGas sold was 6,815 gallons which was about the same as May. July sales were 45,699 of JetA, a 2% increase over June. AvGas was 8,679 gallons, a 27% increase over June. August is looking to match July. There has been more activity and more people are going to the restaurant. The Saturdays Open seems to be working well for Flightline.

Summit is offering a new service, an air condition cart to cool down the aircraft; \$10 for 1/2 hour or \$20 for an hour. Summit has tested it and can cool a King Air sitting on the ramp with the cabin at 100° going down to about 75° in 1/2 hour. It is effective and has had a very good reception. It is being requested as a regular service.

Summit would like to request adding a five year option to the end of the current lease that would take it back to the 15 years as of June 30, 2021. The 15 years was the original contract. Summit is requesting the Commission allow Summit to add another five-year option to the end the existing term.

"Summit Aviation is requesting to amend our current FBO contract to include an additional five year option. This would extend the term of the contract to the original length to 15 years from June 30, 2021 be adding another five year option. This will help Summit better leverage the financial

option to purchase equipment, negotiate renewal terms with our fuel service providers, Titan Aviation, and provide a sense of longevity and security to both our customers and our employees."

Daniel asked the Commission to take this request into consideration and would like feedback, opinions and ideas that the Commission might have regarding addition of the five years.

Commissioner Gardner inquired as to the discrepancy between fuel purchase numbers and Total Operations noting there is a 30% increase in Operations and only a 20% increase in fuel. Daniel explained that some aircraft are possibly "tankering" their fuel, especially with AvGas sales. Larger aircraft coming from their home base and returning to their home base might have specific rates at home base that are beneficial to them. At bigger airports, the FBOs are operating differently with fees so they are obligated to fuel when they leave. Commissioner Gardener asked if we are competitive with surrounding area airport fuel prices. Summit tries to price for the middle of the market, the cost of fuel plus the cost of pumping the fuel, are comparable with Bentonville, Rogers and XNA. Fayetteville prices have gone up significantly. Possibly they are trying to make up for a discount program in their retail pricing. Daniel indicated Springdale is within 15 cents of what Oklahoma City, Tulsa and Memphis charge.

Commissioner Schoonover wanted to know if a "touch and go" counted as an operation. Daniel said if someone doesn't land, the control tower gives them that option as an operation and it will count. Those aircraft typically are not taking on fuel and that would account for the disparity in the fuel sales and Operations.

The restaurant has been open on Saturday and a number people that get out on weekends pick a place with a restaurant to fly to and they are coming to eat at the Flightline. There is also a lot of traffic on Saturdays from those biking and walking on the Greenway. Ferrell is happy with the Saturday opening and the Monday closing. We have had very few negative comments. Some show up on Monday but come back when it is open.

Commissioner Gardner reintroduced the topic of the 5-year option and wanted to know how it would benefit the City. Daniel felt the benefit to the City is going to be the knowledge that the operations at the airport, seeing the fuel sales coming out, the longer that Summit is here, the more rooted they are, the more invested in the airport they are. They would be making purchases for really good equipment to be on hand. That retains the traffic that is coming in. So many have the option of going to Rogers or Fayetteville, people are specifically coming to Springdale Airport because they like the service offered. It's different than Fayetteville and different than Bentonville. There is a different dynamic that has been cultivated by the Summit team that customers appreciate. That translates into fuel sales and flowage fees for the City. Summit wants to continue that service and continue to grow; to figure out different ways to grow and try different things; i.e., offering the AC cart. Nobody else in NW Arkansas offers that service. We want them to know when they come to Springdale, and they buy fuel, they are going to get consistent and reliable service each time they come. They know that Summit takes good care of our quality control program and the City is taking really good care of the updated terminal. Driving more traffic in and more foot traffic into the front door is benefiting the City. More tax dollars, more flowage fees, a sense of security that we will always be there, we will always have bills paid on time. Making sure the fees are getting to the City in the right way and giving the City a sense of security knowing the current FBO at the airport has a good track record, customers who are satisfied with Summit and we want to cultivate those relationships and make sure the City is involved in that.

Commissioner Gardner suggested Summit put together a statement of what would be done with those additional five years. The Commission doesn't have enough information at this point to commit another five years. Summit will put something together for next month's Commission meeting. Chairman Johnson pointed out the previous FBO, Springdale Air Service agreed to build a hangar with a 15 yr. ground lease. In addition to the ground lease was a 15 yr. contract. They would build a 12,000 sq. ft. hangar which would become the property of the City after 15 years. Would it be possible for Summit to bring something like that to the table to get the additional five years to bring it up to 15 years? Summit will discuss it and see what

they can bring to the table. The current contract is a renewal of five years after each five years with an option. If we extend it out 15 years then it puts us on the opposite side of the table. If a problem arises, then we could sever the contract at the end of five years and you have to earn it to get it back. If we go to 15 years, then we have to argue that it should be severed. I feel that we are in a better position. You have kept the FBO out there because you have been a good steward. We are best served as the Airport Commission to keep that position to look at it every five years.

Daniel requested time to give the Commission more information at the next meeting and the Commission agreed. The Commission would like to have that information before the next meeting for review with specifics on better service than the surrounding airports.

6. **COMMENTS FROM CITY ATTORNEY ERNEST CATE**

City Attorney Cate was not in attendance. He had no updates to present.

7. **AIRPORT OPERATIONS REPORT (hanger rent, maintenance, etc.) by Laura Meyers, Airport Supt, James Smith, Mgr.**

Laura said things have been running smoothly with daily summer maintenance and mowing. Airport traffic has been great with good comments and far-reaching interest in the restaurant. The hangar door with peeling paint has been repainted.

Some of the equipment could use some repair. The mechanics have stated they could no longer get parts for some of the machinery. The zero-turn mower is very old with some issues and needs to be replaced. There is also a need to replace one of the tractors. Breakdowns put maintenance out of commission for several hours. When winter comes, we can get everything taken into the shop and have them repaired as much as we can get repaired. That will tell us better where we stand for next year. Commissioner Schoonover requested a presentation of what the needs are for the next Commission meeting. Laura said they were discussing the equipment issues for next years' budget. The three pickups are still working; the black one, the white Chevy from Bethel Heights annexation and the small pickup is used as needed.

There have been no issues with rent payments.

Commissioner Collier asked if they were doing any walk-throughs. Laura says they generally do walk-throughs every spring and fall when they are not mowing. If we find anything Laura reaches out to the tenant. We've had nothing of any significance lately other than through-the-fence parking outside their hangars and leaving things inside the fence. They take care of it when I call them. Commissioner Thomason wanted clarification on the policy. James Smith says as long as it is aviation related and not hazardous. Laura said they will randomly stop in on someone or if there are maintenance issues it presents the opportunity to look around.

8. **AIRPORT ACTIVITIES REPORT (operations, fuel sales revenues & expenditures) by Wyman Morgan, Director of Admin. & Financial Services.**

The airport is on track to set a record high in operations. The best activity we have had in ten years. The FAA looks at operations more than the fuel sales. The fuel sales are the local income but they are looking at how much assistance this airport gives to the aviation community. We have been second in the state and assume we still are.

There is a request to assign a land lease to a new party. The bank documents presented to us drastically change the original land lease and Wyman told them the Commission would not be willing to alter the

original lease. It doubled the size of the square footage of the lease and took away a lot of the airports powers and authority and gave it to the bank. It was a document that we could not recommend. The bank will re-draft the lease to something we could live with.

The Hangar was advertised for bids and didn't get any bids. The attempt was made to go with Construction Management and we were quoted a price well over \$900,000; close to \$1 million for the hangar. We went back to a contractor that was going to submit a bid and he gave us a quote of just over \$700,000. The Mayor would like for the airport commission to approve that bid and formally ask the City Council to waive competitive bidding. The Council has approved up to \$700,000 so the additional \$19,488 would have to come out of Airport funds. There is approximately \$300,000 in the account and we would need part of that for matching funds for the asphalt grant from the AR Dept. of Aviation.

Commissioner Gardner has experience with the Construction Management contractor and highly recommends Oelke Construction Company. They were the Contractor on the new Ozark Regional Transit facility and he was very happy with the project. They came in under budget and the only change orders were requests from ORT. Garver is currently working with Oelke on a hangar in Bentonville. Adam White says we are good with the specs/design with this contractor. Garver designed for the \$700,000 budget and feel it is a good product.

Commissioner Gardner made a motion that the Commission go ahead with this Bid if the City Council will forgo competitive bidding. Commissioner Schoonover seconded the motion. Roll Call: All Commissioners voted Yes.

9. Update from Garver – by Garver Engineers, Greg Thomas

Because the FAA has excess funds, the taxiway project has been moved from next year to this year. Greg Thomas says instead of a 95% grant it will be 100% funded. Garver is working with Springdale Water Utilities and putting together a bid package. They are fast-tracking to do this year what we had planned to do next year. That will save us \$150,000 of our allocation that we will be able to use next year. The \$150,000 allocation will be discussed at the next meeting (9/16/2021). The Bid Opening is August 24th. There are 4 to 5 contractors interested in it. Right after the bids are opened we will get with FAA for approval. When we get the project approved we will go ahead and forward the full application and get it in to FAA. It will take a month or two to get through the contracting. It should be ready to start in the spring. The construction time is 150 days. It will be approved for 2021 funding, delaying until spring is not an issue.

The East Hangar construction site development; the paving and site work for that project; ADA awarded funding in May for that project with the stipulation it get started within 90 days. That deadline passed August 15. APAC started some of the demo work and site work right away. They will be on that site for the next couple of months and it is expected to be finished before winter. That included sitework, utilities, infrastructure, water, paving with the apron. It will be coordinated with Olkie so we don't do the paving until the concrete pad goes in.

Commissioner Gardner asked about the vehicle approach, would it be off the Ford intersection or will it have its own entrance?

Greg pointed out the Airport owns the parking lot of the Crawford hangar to the South. They will maintain the existing entrance to Hwy. 265 and then add to the existing road. There will not be a light at the existing intersection. It has been discussed in the past but it would not be cost effective to redo the intersection.

Commissioner inquired if there would be future funding from FAA for infrastructure plans?

Adam White say he infrastructure bill that passed with the Senate will effectively double the FAA funding for airport projects for the next five years. There is about \$6 billion for airports but doesn't say how it will

be allocated. It could increase the entitlement each year and could go from \$150,000 a year to \$3-400,000 a year. Or it could lump it all into a discretionary fund to pick and choose projects they want to do. Next month we will have a few projects to discuss and pick the best ones to put forward to get the most funds.

10. **OLD BUSINESS:**

- Chairman Johnson went before the Planning Commission to request a two year waiver of sidewalks and landscaping. We would need to sign a Bill of Assurance. The Bill of Assurance states the façade and landscaping will be completed when the building is built. Planning said Chairman Johnson did not have the authority to sign the Bill of Assurance because it had not been acted on by the Commission. **Commissioner Smith made a motion that the Commission give Chairman Johnson the authority to execute the Bill of Assurance. The motion was seconded by Commissioner Gardner. Roll call: The motion was passed by all voting Yes.**
- Chairmen Johnson has received an email from Commissioner Andrew Barker with his resignation from the Springdale Airport Commission. The Commission will be looking for a replacement. It was pointed out that Mr. Barker had a business at the airport and one commissioner on the board is allowed to do that but the new appointee is not required to have a business at the airport.
- There has been some interest in finishing the incomplete south side hangar and use the material left behind. The slab and the steel are valuable and we need to consider what we want to do with it. Chairman Johnson believes we have \$100,000 of value in the slab and materials. Some materials are on site and some are being stored at Public Works. It would be good for the Airport to build that hangar. It was discussed to have Oelke look at the inventory and see what it would take to build the hangar. What we have is all usable. It is for the wall framework. We have nothing for the roof support/purlins. There is no infrastructure. It was going to start at the street and put the water and sewer in which would develop that side of the street. Laura says there are interested parties. Wyman suggested that we get Garver to look at the current inventory and make the design from there. We are exploring funding with FAA to build a driveway behind the hangar and how they would have access outside the fence.
- Commissioner Gardner asked when the retention pond was going to get started. Laura says they are waiting on permits.

11. **COMMISSION COMMENTS:**

No additional comments.

Business was concluded and the meeting was adjourned by Chairman Johnson at 2:03 p.m.

Neil Johnson, CHAIRMAN

Beth Parnell, RECORDING SECRETARY

DATE OF APPROVAL